

1873.

NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE,

(FURTHER PAPERS RELATING TO).

In continuation of Papers presented on 15th September, 1873.

Presented to both Houses of the General Assembly by command of His Excellency.

No. 1.

The Hon. HENRY PARKES to the Hon. the COLONIAL SECRETARY.

SIR,—

Colonial Secretary's Office, Sydney, 30th August, 1873.

I have the honor to enclose copy of a telegram received from the Hon. Saul Samuel, representing this Government in London, which communicates the substance of an agreement made between him and Mr. Russell, acting on behalf of New Zealand, for a joint mail service between these Colonies and San Francisco, to take the place of the service already contracted for by New South Wales.

2 By this agreement, the ships are to be of 2,000 tons register, and the subsidy to the contractors £80,000 annually, the payment of which is to be equally divided between this Colony and New Zealand. The contractors are to be at liberty, in addition to the subsidy above named, to obtain subsidies from any non-contracting countries other than Great Britain and the Australasian Colonies. The ships of the main line are, on alternate voyages, to run through to and from the port of Sydney, and to and from a port in New Zealand; and on the voyages alternating with these, the mails passengers, and cargo for New South Wales and New Zealand are to be transhipped at Kandavau into ships of equal tonnage and speed with those of the main line. The contract time between Sydney and San Francisco is to be 600 hours, with penalties of £150 a day for overdue time, up to 720 hours, and penalties of £50 over the thirty days. The contract time between New Zealand and the American terminus will of course be of corresponding guaranteed speed.

3. I assume that this proposed extension of the contract entered into by this Government for the Pacific Service proceeds from your Representative in London, and is in accordance with instructions from Wellington, and that it would, if agreed to, meet the claims and wants of New Zealand. I have never concealed from myself the advantage that would be gained by cordial co-operation between New Zealand and New South Wales; and this Government is now prepared to confirm the agreement arrived at in London by the Representatives of the two Colonies, and I shall at once inform Mr. Samuel to that effect.

4. Both Mr. Russell and Mr. Samuel have the fullest facilities for judging of the *bona fides* of the contractors, and of all the English circumstances affecting the new service, and I am glad to learn from my telegram that they have confidence in the contract being carried out. My message also informs me that New Zealand will join this Colony in the temporary service which it may be necessary to support during the interval from the termination of the present Galle contract until the commencement of the permanent Pacific Service.

5. Of course the policy announced by this Colony of carrying the letters of the non-contracting Colonies for the postages only cannot now be departed from; nor do I apprehend that the Government of New Zealand would desire that a policy fraught with so many obvious benefits should be modified. Probably the simplest and most satisfactory arrangement will be for each of the two contracting Colonies to retain its own outward and inward postages, and to divide the postages from other sources equally between them in further reduction of the joint subsidy.

6. The question arises, however, whether this liberal policy should be extended beyond the British communities connected in mail communication by the new service, and possibly the United States of America. The Fijis and the Hawaiian Islands will receive advantages from the service largely in excess of any support they can give to it by the extent of their mail matter; and I incline to the view that specific subsidies should be paid by each of those Governments. It appears to me also that the contracting Colonies have a strong case for substantial aid from the United States, but that, if the American postages were given on the same principle as the British postages, that form of assistance would, while harmonizing with the postal policy of these Colonies, be a valuable and increasing support. In dealing with these considerations, it is doubtful whether it would be expedient to empower the contractors to negotiate for foreign subsidies, either in the Pacific Settlements or in America, or in other words, whether it would not be wiser to increase the Australian and New Zealand subsidy, if necessary, and to keep the entire control of all negotiations in our own hands. This, however, is not of sufficient importance in my judgment to interfere with confirmation of the London agreement, if that agreement as it stands receives your approval.

7. I am quite prepared to go beyond the agreement in one respect, and to give a gratuity for efficiency of the same amount as the highest penalties for failure, namely, £150 for each day which the ships of the service perform the passages under contract time.

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,
HENRY PARKES.

Enclosure in No. 1.

EXTRACT of a Telegram from the Honourable SAUL SAMUEL, London, to the COLONIAL SECRETARY, Sydney. Received 29th August, 1873.

27th August, 1873.—Arranged with Russell, subject approval of both Governments, New Zealand paying half entire subsidy—Steamers all to be 2,500 tons gross or 2,000 register—Through steamer to leave Kandavau alternate trip for Sydney and New Zealand, same arrangement returning, transhipping into steamers same tonnage and speed—This will cause no more delay at Kandavau than branch service—Time twenty-five days—Contractors agree to £80,000—Penalty up to thirty days £150, then £50—Contractors to receive all subsidies they can get, except Colonies and England.

By Authority: GEORGE DIDSBUXX, Government Printer, Wellington.—1873.

[Price 3d.]